

**LISTING OF THE CLAIMS:**

1. (Currently amended) A license management system comprising:

a license server connected to a network; and

a terminal connected to the network;

wherein said server includes:

a first memory unit for storing a first license which includes a first use condition of ~~[[said]]~~ content;

an issuance unit for, according to a request from said terminal, issuing a second license which includes a content key for decrypting ~~encrypted~~ content and a second use condition set such that a value of said second use condition is within a value of said first use condition of said content; and

a transmission unit for transmitting to said terminal said second license that is issued; and

wherein said terminal ~~including~~ includes:

a license control unit for managing said second license transmitted from said server; and

a reproduction unit for reproducing said ~~encrypted~~ content by use of said content key included in said second license; and

wherein said server further includes:

~~another~~ a second memory unit for storing information on said second license which includes an expiration date/time for said terminal; and

a return ~~[[unit]]~~ control section for ~~checking said second use condition to automatically return said second license~~ automatically restoring to a return state of said second license when said expiration date/time for said terminal has passed, so that said issuance unit can issue said second license for another terminal.

2. (Currently amended) A server for issuing a content key for decrypting ~~encrypted~~ content, comprising:

a first memory unit for storing a first license which includes said content key and a first use condition of said content;

an issuance unit for, when a value of a ~~second~~ use condition of said content requested by a terminal does not exceed a value of said first use condition stored in said memory unit, issuing a second license which includes said content key and ~~said a~~ second use condition; [[and]]

a communication unit for transmitting said second license to said ~~terminal~~ terminal;

a second memory unit for storing information on said second license which includes an expiration date/time for said terminal; and

a return control section for automatically restoring to a return state of said second license when said expiration date/time for said terminal has passed, so that said issuance unit can issue said second license for another terminal.

3. (Cancelled)

4. (Currently amended) The server as claimed in claim [[3]] 2, wherein:

said first use condition includes the maximum allowable number of simultaneous issues indicating a number of issues of said second license which can be distributed at the same time; and

said return [[unit]] control section stops ~~return processing~~ automatically restoring said return state of said second license when the maximum allowable number of simultaneous issues has exceeded its initial value stored in said first memory unit.

5. (Currently amended) The server as claimed in claim ~~[[3]]~~ 2, wherein:

said license information includes return mode information indicating whether or not said second license is to be returned, said return mode information being provided for each second license; and

said return ~~[[unit]]~~ control section executes or stops return processing on said second license according to said return mode information.

6. (Currently amended) The server as claimed in claim 5, ~~further comprising a setting unit~~ wherein said return control section is configured for setting said return mode information according to a request from said terminal.

7. (Original) The server as claimed in claim 5, wherein said return mode information includes information for determining whether said server is to automatically return said second license.

8. (Original) The server as claimed in claim 5, wherein said return mode information includes information for determining whether said terminal is to return said second license to said server.

Claims 9-11 (Cancelled)

12. (Currently amended) The server as claimed in claim 2, wherein:

said first use condition is determined ~~[[by.]]~~ by a manager of said content or a manager of said first license; and

said second use condition is determined by a user of said content.

13. (Currently amended) The server as claimed in claim [[3]] 2, wherein:

said first use condition includes a maximum allowable number of simultaneous issues indicating a number of issues of said second license which can be distributed at the same time;

~~said second use condition includes an expiration date/time of said content;~~

when said issuance unit has issued said second license, said issuance unit decrements the maximum allowable number of simultaneous issues; and

said return [[unit]] control section increments the maximum allowable number of simultaneous issues to automatically restore to said return state of said second license when said expiration date/time of ~~said content~~ for said terminal has passed.

14. (Currently amended) The server as claimed in claim [[3]] 2, wherein:

~~said second use condition includes an expiration date/time of said content;~~

when said issuance unit has issued said second license, said issuance unit inhibits further issuance of said second license; and

when said expiration date/time of ~~said content~~ for said terminal has passed, said return [[unit]] control section cancels said inhibition of further issuance of said second license to automatically restore to said return state of said second license.

15. (Currently amended) The server as claimed in claim [[3]] 2, wherein:

said first use condition includes a first value of the number of reproduction operations of said content;

said second use condition includes a second value of the number of reproduction operations of said content;

when said issuance unit has issued said second license, said issuance unit subtracts said second value of the number of reproduction operations from said first value of the number of reproduction operations;

upon receiving said second license returned from said terminal, said return [[unit]] control section adds an update of said second value of the number of reproduction operations included in said second use condition to said first value of the number of reproduction operations; and

when an expiration date/time ~~of said content~~ for said terminal has passed, said return [[unit]] control section maintains said first value of the number of reproduction operations from which said second value of the number of reproduction operations has been subtracted, to automatically restore to said return state of said second license.

16. (Currently amended) A terminal capable of communicating with a server for issuing a content key for decrypting ~~encrypted~~ content, said server comprising:

a first memory unit for storing a first license which includes said content key and a first use condition of said content;

an issuance unit for, when a value of a second use condition of said content requested by said terminal does not exceed a value of said first use condition stored in said first memory unit, issuing a second license which includes said content key and said second use condition; and

a communication unit for transmitting said second license to said terminal;

said terminal comprising:

a second memory unit for storing said ~~encrypted~~ content;

a communication unit for receiving said second license from said server;

a decryption unit for decrypting said ~~encrypted~~ content in said second memory unit by use of said content key included in said second license; [[and]]

a reproduction unit for reproducing [[said]] the decrypted content according to said second use condition included in said second license; and

wherein said server further includes:

a second memory unit for storing information on said second license which includes an expiration date/time for said terminal; and

a return control section for automatically restoring to a return state of said second license when said expiration date/time for said terminal has passed, so that said issuance unit can issue said second license for another terminal.

17. (Original) The terminal as claimed in claim 16, wherein said reproduction unit updates said second use condition each time said reproduction unit reproduces said content.

18. (New) The server as claimed in claim 2, wherein:

when said issuance unit has issued said second license in said first memory, said issuance unit changes said first use condition; and

when said expiration date/time for said terminal has passed, said return control section restores said second license in said first memory to automatically restore to said return state of said second license.